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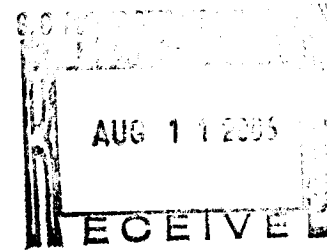
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August 4, 2006

Charles L. A. Terreni, Esq.
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

Re: **Docket No. 2006-184-E; Application of Progress Energy Carolinas, Incorporated for Approval to Reallocate Decommissioning Fund Contributions**

Dear Mr. Terreni:

This is to inform the Public Service Commission ("Commission") that the Office of Regulatory Staff ("ORS") has reviewed the above referenced filing. Based on the information provided, ORS does not have an objection to the proposal by Progress Energy Carolinas, Inc. ("Company") for an accounting order reallocating the annual nuclear decommissioning expense among its four nuclear units.

The amounts currently expensed total \$4,651,455 and were approved by the Commission in a previous order. The Company is not requesting a change in this level of funding in current South Carolina retail rates. The proposed reallocation of funding is derived from the results of the Company's latest decommissioning cost study prepared in 2004. In recalculating the revenue requirements based on the 2004 study, the Company assumed license extensions for the two Brunswick units and the Harris unit. The Robinson nuclear unit had received its license extension prior to completion of the study. The revenue requirement resulting from the 2004 study continues to validate the expense level in rates previously approved by the Commission.

Joe
Thank you for the opportunity to provide our comments in this matter.

Sincerely yours,


John W. Flitter

JWF/sh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Nanette S. Edwards, Deputy General Counsel, SC ORS
Len S. Anthony, Deputy General Counsel, PEC
Dr. James Spearman, Executive Assistant, SC PSC